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12 February 1968

MEMORANDUM FOR: Director of Strategic Research

SUBJECT : Military and R & D Expenditure Responsibilities

1. Because valuable time was lost in the improper routing of requests for expenditure data, two recent requests from the Office of the Secretary of Defense (OSD) were given inadequate support by OSR. Although the requests were received within the Agency on the 29th of January and routed to what were considered the appropriate Offices, OSR was not made aware of a required response until the morning of the 30th.

2. On 29 January the Office of the Secretary of Defense requested assistance from CIA on briefing material being prepared for the Secretary for delivery to Congress. The requests were in two separate packages as follows:

- a) A request for evaluation of a DIA contribution on Chinese and Soviet military expenditures.
- b) A request for a contribution on Soviet military research and development, including expenditures, during the past year.

3. The request for the evaluation of the DIA expenditure contribution was received in the DCI's office [REDACTED] on the 29th. DIA's contribution was forwarded to ONE on the same day with a request for evaluation by 0900 hours on the 30th. ONE recognized they did not have the capability to complete the request and contacted OSR/PA on the morning of the 30th. The material was received by OSR/PA at 0830. A cursory examination of DIA's contribution revealed many problems in both the Chinese and Soviet data. A summary evaluation of the material was given to the ONE representative who in turn contacted the DCI's office at 0900 hours.

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4. The request for a contribution on Soviet military research and development was routed to OSI. Since the request was primarily oriented towards new Soviet weapons systems, the original routing of the request to OSI was proper. Rather than requesting a written contribution on expenditures from OSR, however, OSI choose to write

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their own expenditure contribution. Knowledge of OSD's request and OSI's intent was indirectly received when an OSI analyst contacted PA/M requesting information on research and development expenditures. When the OSI analyst was questioned about the request, he indicated that he did not know the reason the material was being requested, only that it was something for the Secretary of Defense. A copy of Rubles for Research was given to the analyst. Chief, PA/M informed the division of this development and an immediate attempt was made to determine the precise purpose of the request. There was some concern that the request was intended for briefing material for Senator Stennis' Preparedness Investigating Subcommittee and that the new information being prepared by OSI might conflict with a previous joint position of OSR, DIA and D/DR & E.

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5. It was determined that Messers Chamberlain and [REDACTED] were personally writing the contribution. In conversations with Dr. [REDACTED] (about 1120 hours) he agreed to send a copy down to OSR, but given their deadline of 1200 hours he doubted if anything could be seen by OSR prior to completion of the contribution. A copy of the contribution was received about 1220 hours. Two sources had been used in writing up the expenditure data, Rubles for Research and the DCI's Congressional Briefing Package. OSI's contribution on expenditures was not on a par with what would have been prepared by OSR. 25X1A9a

6. In all fairness it should be noted that no great damage resulted from the sequence of events since OSR was able to give limited response to both requests. The main problem that was highlighted by the sequence of events was the lack of awareness on the part of various Offices that the responsibility for military expenditure data lies within OSR.

7. There would appear to be little that can be done in the short run to avoid situations of this nature. I feel confident that OSI will ~~contact~~ us in the future and [REDACTED] now shows an awareness of our expenditure operations. The over all cure, of course, is publicity and the only way we can legitimately publicize is by publishing more reports. 25X1A9a

8. DD/OSR was made aware of these developments as they occurred. It was at his request that this memorandum was prepared.

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9. Attached for your perusal are the two contributions previously discussed.



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Acting Deputy Division Chief
Programs Analysis Division, OSR

Attachment
As Stated Above

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